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ABSTRACT

This study used state administrative data to analyze employment, earnings, and public assistance receipt among former Wisconsin foster youth who exited out-of-home care between January 1992 and December 1998 and were at least 17 years old upon exit. Results suggest that former foster youth who had aged out of care or had been discharged to independent living earned significantly more during the first 8 quarters after discharge than those who had been reunified, placed with relatives, or adopted. As a result, their total income was significantly higher. These findings are consistent with what would be expected if former foster youth who had aged out of care or been discharged to independent living were, in fact, living on their own and supporting themselves, while those who had been reunified, placed with relatives, or adopted were being supported by the families with whom they lived. Former foster youth who had run away or been transferred to institutions were employed in significantly fewer quarters and earned significantly less during the first 8 quarters after discharge than those who had been reunified, placed with relatives, or adopted. Again, their lower earnings were reflected in significantly lower total income. (SM)

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# Self-Sufficiency of Former Foster Youth in Wisconsin: Analysis of Unemployment Insurance Wage Data and Public Assistance Data

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**Abstract**

This report presents the results of a study that uses state administrative data to analyze employment, earnings, and public assistance receipt among former Wisconsin foster youth who exited out-of-home care between January 1, 1992, and December 31, 1998, and who were at least 17 years old at the time of their exit. Our results suggest that former foster youth who had aged out of care or had been discharged to independent living earned significantly more during the first eight quarters after they were discharged from care than those who had been reunified, placed with relatives, or adopted; as a result, their total income was also significantly higher. These findings are consistent with what one would expect if former foster youth who had aged out of care or had been discharged to independent living were, in fact, living on their own and having to support themselves, while those who had been reunified, placed with relatives, or adopted were being supported by the families with whom they were living. We also found that former foster youth who had run away or been transferred to an institution were employed in significantly fewer quarters and earned significantly less during the first eight quarters after they were discharged from care than those who had been reunified, placed with relatives, or adopted; again, their lower earnings were reflected in significantly lower total income as well.

**Self-Sufficiency of Former Foster Youth in Wisconsin:**
**Analysis of Unemployment Insurance Wage Data and Public Assistance Data**

## INTRODUCTION

Previous research has raised concerns about the self-sufficiency of former foster youth who age out of care (e.g., Barth, 1990; Cook, Fleishman and Grimes, 1991; Courtney et al., 1998; Festinger, 1983; Jones and Moses, 1984; Pettiford, 1981). In particular, several studies have shown that it is difficult for many former foster youth to maintain stable employment, and that the earnings of those who are employed are low. These studies have also found that a significant percentage of former foster youth received means-tested cash assistance or in-kind benefits such as Food Stamps at some point after their discharge from care.

With the exception of Pettiford (1981), all of the previous research has relied on interviews with former foster youth. These former foster youth were asked, among other things, about their employment, earnings, and public assistance utilization since they were discharged from care. Although such studies can provide valuable information, that approach is very costly and sample attrition can be substantial.

More recently, researchers have begun to examine the self-sufficiency of former foster youth using state administrative data.[1] This report presents the results of one such study that analyzes employment, earnings, and public assistance receipt among former Wisconsin foster youth who exited out-of-home care between January 1, 1992, and December 31, 1998, and who were at least 17 years old at the time of their exit. The former foster youth were identified using the Substitute Care Module of the state's Human Services Reporting System (HSRS).[2]

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[1]The analysis of administrative data has its own limitations. We discuss the limitations most relevant to our analysis in the concluding section of this report.

[2]HSRS is a state-wide data collection system that includes both client-specific and summary information about the social and mental health services provided by state and/or county agencies.

Section 1 describes the characteristics of these youth, including information about their experiences in out-home-care. Section 2 examines the employment and earnings of these former foster youth during the first eight quarters after they exited out-of-home care. Section 3 examines their public assistance utilization during that same period. Section 4 examines total income when earnings from employment and public assistance benefits are combined. Section 5 discusses the results and their implications.

## 1. DEMOGRAPHIC CHARACTERISTICS AND OUT-OF-HOME CARE EXPERIENCES OF FORMER FOSTER YOUTH

Between January 1, 1992, and December 31, 1998, 6,274 foster youth aged 17 and older exited out-of-home care in Wisconsin.[3] The data in Table 1 describe the demographic characteristics and out-of home cares experiences of these former foster youth. They are disproportionately male, nearly three-quarters are white, two-thirds were 17 years old when they were discharged, and one of five was receiving services from Milwaukee County prior to exiting.[4]

Although almost 45 percent of these former foster youth had been adjudicated children in need of protective services (CHIPS), an even higher percentage had been adjudicated delinquent. This is consistent with two additional findings. First, three-quarters of these former foster youth entered their most recent episode of out-of-home care at 16 or 17. Second, the majority had remained in care less than 12 months during their most recent episode, and fewer than 5 percent had remained in care 5 years or more.

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[3]This does not include the 21 youth aged 17 or older who were transferred to a private child welfare agency, or the seven youth aged 17 or older who died while in out-of-home care.

[4]The racial/ethnic makeup of former foster youth who had received services from Milwaukee County was very different from that of former youth who received services from the state's other counties. Of former foster youth who received services from Milwaukee County, 60 percent were African American and 34 percent were white. Conversely, of former foster youth who received services from other counties, only 7 percent were African American and 83 percent were white.

**TABLE 1**
**Demographic Characteristics and Out-of Home Care Experiences of 1992–1998 Exit Cohorts of Former Foster Youth**

| | Number of Former Foster Youth | Percent of Former Foster Youth |
|---|---|---|
| **Gender** | | |
| Female | 2673 | 42.6 |
| Male | 3601 | 57.4 |
| **Race/ethnicity** | | |
| African American | 1121 | 17.8 |
| White | 4610 | 73.5 |
| Native American | 206 | 3.3 |
| Asian | 105 | 1.7 |
| Hispanic | 191 | 3.0 |
| Missing | 41 | 0.7 |
| **County providing services** | | |
| Milwaukee | 1265 | 20.2 |
| Other county | 5009 | 79.8 |
| **Age at exit** | | |
| 17 years | 4222 | 67.7 |
| 18 years | 1865 | 29.9 |
| 19 years | 150 | 2.4 |
| **Adjudicated status (most recent episode)** | | |
| CHIPS–abuse and/or neglect | 1106 | 17.6 |
| CHIPS–other | 1704 | 27.2 |
| Delinquent | 2979 | 47.5 |
| JIPS–status offender | 228 | 3.6 |
| Voluntary placement | 257 | 4.1 |
| **Age entered most recent episode** | | |
| 7 through 9 years | 31 | 0.5 |
| 10 or 11 years | 80 | 1.3 |
| 12 or 13 years | 257 | 4.1 |
| 14 or 15 years | 1228 | 19.6 |
| 16 or 17 years | 4678 | 74.6 |
| **Placement type prior to exit** | | |
| Foster home | 3650 | 58.2 |
| Group home | 1514 | 24.1 |
| Child caring institution | 1110 | 17.7 |

(table continues)

**TABLE 1, continued**

| | Number of Former Foster Youth | Percent of Former Foster Youth |
|---|---|---|
| **Total number of episodes** | | |
| 1 | 3652 | 58.2 |
| 2 | 1477 | 23.5 |
| 3 | 619 | 9.9 |
| 4 | 291 | 4.6 |
| 5 | 115 | 1.8 |
| 6 or more | 120 | 1.9 |
| **Number of placements (most recent episode)** | | |
| 1 | 4667 | 74.4 |
| 2 | 1084 | 17.3 |
| 3 | 321 | 5.1 |
| 4 | 107 | 1.7 |
| 5 or more | 95 | 1.5 |
| **Total number of placements (all episodes)** | | |
| 1 | 2731 | 43.5 |
| 2 | 1439 | 22.9 |
| 3 | 832 | 13.3 |
| 4 | 496 | 7.9 |
| 5 | 304 | 4.9 |
| 6 | 165 | 2.6 |
| 7 | 112 | 1.8 |
| 8 or more | 195 | 3.1 |
| **Months in out-of-home care (most recent episode)** | | |
| Less than 12 | 3410 | 54.4 |
| 12 to 23 | 1397 | 22.3 |
| 24 to 35 | 690 | 11.0 |
| 36 to 47 | 378 | 6.0 |
| 48 to 59 | 196 | 3.1 |
| 60 to 71 | 85 | 1.4 |
| 72 to 83 | 51 | 0.8 |
| 84 or more | 67 | 1.1 |

(table continues)

**TABLE 1, continued**

| | Number of Former Foster Youth | Percent of Former Foster Youth |
|---|---|---|
| **Cumulative months in out-of-home care (all episodes)** | | |
| Less than 12 | 2471 | 39.2 |
| 12 to 23 | 1573 | 25.1 |
| 24 to 35 | 925 | 14.7 |
| 36 to 47 | 545 | 8.7 |
| 48 to 59 | 304 | 4.9 |
| 60 to 71 | 166 | 2.7 |
| 72 to 83 | 95 | 1.5 |
| 84 or more | 195 | 3.1 |
| **Discharge outcome** | | |
| Reunified | 3062 | 48.8 |
| Placed with relatives | 258 | 4.1 |
| Adopted | 45 | 0.7 |
| Reached age of majority or completed education | 1770 | 28.2 |
| Discharged to independent living | 365 | 5.8 |
| Ran away | 382 | 6.1 |
| Transferred to state institution or other facility | 392 | 6.3 |

**Note**: N = 6247.

Nearly 60 percent of these former foster youth had experienced only one episode of out-of-home care; however, almost 20 percent had experienced three episodes or more. Regardless of the number of out-of-home care episodes these former foster youth had experienced, 40 percent had a cumulative length of stay of less than 12 months and another 65 percent had a cumulative length of stay of less than 2 years. Roughly three-quarters had experienced only one placement during their most recent episode of out-of-home care, and two-thirds had experienced no more than two placements altogether when prior episodes of out-of-home care were also taken into account.

Although the majority of these former foster youth were discharged from foster homes, a significant minority were discharged from group homes or child caring institutions.[5] More than half were reunified or placed with relatives, 20 percent aged out or were discharged to independent living, and almost 13 percent were transferred to a state institution or other facility (e.g., hospital, detention, jail).[6]

Our analysis of employment and earnings outcomes in section 2 is based on data from the Wisconsin Unemployment Insurance (UI) file, which identifies individuals using Social Security numbers and only Social Security numbers. Although the Substitute Care Module of the HSRS that we used to identify the former foster youth who fit the criteria for inclusion in our sample contains a field for Social Security number (SSN), this information is sometimes missing from the record. An SSN was present in the records of 4,316 of the 6,274 former foster youth who fit our criteria and absent from the records of 1,958.[7] Although we had no a prior reason to expect systematic differences between those former foster youth for whom an SSN was present and those for whom it was not, any nonrandom differences could conceivably bias the results of our analysis.

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[5]Although we had hoped to distinguish between relative and nonrelative foster home placements, our preliminary analysis leads us to believe that the HSRS variable used to indicate this distinction is not reliable.

[6]Once we have UI data for former foster youth who were 16 years old when they exited care, we will be able to compare the employment and earnings outcomes of former foster youth who aged out or were discharged to independent living to those of former foster youth who were reunified or placed with relatives at least 1 year prior to the time at which they would have aged out had they remained in care.

Table 2 compares the demographic characteristics and out-of-home care experiences of former foster youth for whom an SSN was present in HSRS with those of former foster youth for whom an SSN was not present in HSRS. Although the two groups are similar in many respects, there are a number of potentially important differences between them. Compared with former foster youth for whom an SSN was not present, former foster youth for whom an SSN was present (1) were more likely to be African American and less likely to be white, (2) were more likely to have been receiving services from Milwaukee County, (3) were more likely to have been in care for a total of 12 months or longer, and (4) were more likely to have aged out or been discharged to independent living and less likely to have been reunified.[8] The implications of these differences are discussed in section 5.

## 2. EMPLOYMENT AND EARNINGS OUTCOMES OF FORMER FOSTER YOUTH

Our analysis of the employment and earnings outcomes of former foster youth is based on data from Wisconsin's UI file for the years 1995 through 1999. Because the former foster youth in our sample exited out-of-home care between January 1, 1992, and December 31, 1998, the number of postexit quarters for which we have UI data ranges from 20 for youth who exited prior to 1995 to four for youth who exited in the fourth quarter of 1998. Moreover, if we assume that earnings tend to be positively correlated with years of work experience, then earnings for 1995 through 1999 are likely to be higher among earlier versus later exit cohorts. To deal with these two limitations of our data, the majority of our analysis focuses on employment and earnings during the first eight quarters after the 1995 through 1997 exit cohorts were discharged from care.

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[7]The 4,316 excludes those cases where an SSN was present but invalid (e.g., 999999999 or 123456789).

[8]Differences 1 and 2 are consistent with the fact that the majority of former foster youth who were receiving services from Milwaukee were African American while the majority of former foster youth who were receiving services from other counties were white.

**TABLE 2**
**Demographic Characteristics and Out-of-Home Care Experiences of Former Foster Youth by Presence of Social Security Numbers in HSRS**

| | Percent of Former Foster Youth | |
|---|---|---|
| | SSN Present in HSRS (N = 4316) | SSN Not Present in HSRS (N = 1958) |
| **Gender** | | |
| Female | 43.1 | 41.6 |
| Male | 56.9 | 58.4 |
| **Race/ethnicity** | | |
| African American | 21.8 | 8.8 |
| White | 68.0 | 83.4 |
| Native American | 3.1 | 3.3 |
| Asian | 1.8 | 1.5 |
| Hispanic | 3.1 | 2.8 |
| Missing | 2.4 | 0.3 |
| **County providing services** | | |
| Milwaukee | 26.1 | 7.0 |
| Other county | 73.9 | 93.0 |
| **Age at exit** | | |
| 17 years | 66.3 | 70.7 |
| 18 years | 30.7 | 28.2 |
| 19 years | 3.0 | 1.1 |
| **Adjudicated status (most recent episode)** | | |
| CHIPS–abuse and/or neglect | 19.4 | 13.8 |
| CHIPS–other | 26.6 | 28.4 |
| Delinquent | 47.4 | 47.6 |
| JIPS–status offender | 3.6 | 5.0 |
| Voluntary placement | 3.0 | 5.3 |
| **Age entered most recent episode** | | |
| 7 through 9 years | 0.7 | 0.2 |
| 10 or 11 years | 1.7 | 0.4 |
| 12 or 13 years | 4.8 | 2.6 |
| 14 or 15 years | 20.7 | 17.2 |
| 16 or 17 years | 72.2 | 79.7 |
| **Placement type prior to exit** | | |
| Foster home | 57.3 | 60.1 |
| Group home | 23.9 | 24.7 |
| Child caring institution | 18.8 | 15.2 |

(table continues)

**TABLE 2, continued**

| | Percent of Former Foster Youth | |
|---|---|---|
| | SSN Present in HSRS (N = 4316) | SSN Not Present in HSRS (N = 1958) |
| **Total number of episodes** | | |
| 1 | 58.2 | 61.8 |
| 2 | 23.5 | 23.1 |
| 3 | 9.9 | 8.3 |
| 4 | 4.6 | 4.0 |
| 5 | 1.8 | 1.5 |
| 6 or more | 1.9 | 1.4 |
| **Number of placements (most recent episode)** | | |
| 1 | 73.4 | 76.6 |
| 2 | 17.7 | 16.3 |
| 3 | 5.3 | 4.6 |
| 4 | 1.9 | 1.3 |
| 5 or more | 1.6 | 1.2 |
| **Total number of placements (all episodes)** | | |
| 1 | 43.5 | 47.6 |
| 2 | 22.9 | 24.0 |
| 3 | 13.3 | 11.8 |
| 4 | 7.9 | 6.7 |
| 5 | 4.9 | 4.5 |
| 6 | 2.6 | 2.2 |
| 7 | 1.8 | 1.4 |
| 8 or more | 3.1 | 1.9 |
| **Months in out-of-home care (most recent episode)** | | |
| Less than 12 | 56.9 | 60.4 |
| 12 to 23 | 17.7 | 22.5 |
| 24 to 35 | 10.6 | 8.6 |
| 36 to 47 | 6.2 | 4.9 |
| 48 to 59 | 3.3 | 2.2 |
| 60 to 71 | 1.8 | 0.8 |
| 72 to 83 | 1.3 | 0.3 |
| 84 or more | 2.4 | 0.3 |

(table continues)

**TABLE 2, continued**

| | Percent of Former Foster Youth | |
|---|---|---|
| | SSN Present in HSRS (N = 4316) | SSN Not Present in HSRS (N = 1958) |
| **Cumulative months in out-of-home care (all episodes)** | | |
| Less than 12 | 35.4 | 48.3 |
| 12 to 23 | 25.1 | 24.9 |
| 24 to 35 | 15.9 | 12.2 |
| 36 to 47 | 9.3 | 7.4 |
| 48 to 59 | 5.3 | 3.8 |
| 60 to 71 | 3.0 | 1.8 |
| 72 to 83 | 2.0 | 0.5 |
| 84 or more | 4.0 | 1.1 |
| **Discharge outcome** | | |
| Reunified | 46.1 | 54.7 |
| Placed with relatives | 4.0 | 4.3 |
| Adopted | 0.9 | 0.4 |
| Reached age of majority or completed education | 29.8 | 24.7 |
| Discharged to independent living | 6.2 | 4.9 |
| Ran away | 6.3 | 5.7 |
| Transferred to state institution or other facility | 6.7 | 5.3 |

We use two outcome measures in our analysis of these data. The first is the percentage of the first eight postexit quarters during which former foster youth were employed. We compute this measure based on the number of quarters for which the UI data show nonzero earnings.[9] The second measure is total earnings for those eight quarters. We compute this by summing quarterly earnings from all employers across the first eight postexit quarters.

Before presenting the results of our analyses, we first discuss a major limitation of this approach, namely, our exclusive reliance on data from Wisconsin's UI file. Relying exclusively on UI data has several important implications for our analyses. On the one hand, this approach will underestimate employment and earnings among this population to the extent that former foster youth are working in jobs not covered under the state's UI regulations.[10] Although state tax records might alleviate some of this problem, we would still have no information on unreported earnings from employment in the so-called "underground economy."[11] We will also underestimate employment and earnings to the extent that former foster youth have left Wisconsin and are working in another state. On the other hand, this approach will overestimate employment (but not earnings) to the extent that former foster youth work for only a few days or weeks out of an entire quarter. We could deal with this problem, at least in part, by imposing more stringent criteria than simply any nonzero earnings. For example, we could require that earnings be above some threshold in order for a quarter to count, and then examine how our findings vary depending on where the threshold is set.[12]

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[9]If former foster youth exited in first half of the quarter (i.e., the 1st of month 1 through the 15th of month 2), that quarter is treated as the first postexit quarter. If former foster youth exited in second half of the quarter (i.e., the 16th of month 2 through the 30th/31st of month 3), the following quarter is treated as the first postexit quarter.

[10]Approximately 91 percent of Wisconsin workers are employed in jobs covered under the state's UI program.

[11]Yet another important limitation of our approach is that the UI data provide no information about hourly wages or number of hours worked.

[12]One of the authors will pursue this approach in subsequent analyses of these data.

Employment: Descriptive Statistics

We begin with some descriptive statistics on the postexit employment of former foster youth. Table 3A shows the number of quarters in which the 1995 through 1997 exit cohorts of former foster youth were employed, as indicated by nonzero earnings, during the first eight quarters after they were discharged from care. These former foster youth were fairly evenly divided between those who were employed in at least half of the eight quarters and those who were not. Though one in five was never employed, and one in four was employed in more than zero but fewer than three quarters, 55 percent were employed in four quarters or more, including 15 percent who were employed in all eight.

Table 3B shows the percentage of former foster youth employed in 0 percent, less than 50 percent, and 50 percent or more of the first eight postexit quarters broken down by gender, race/ethnicity, county (i.e., Milwaukee versus non-Milwaukee), adjudication status, placement type, and discharge outcome. The percentage of quarters employed was generally higher (1) among female former foster youth than among male former foster youth, (2) among white former foster than among nonwhite former foster youth (especially African Americans and Native Americans), (3) among former foster youth receiving services from non-Milwaukee counties than among those receiving services from Milwaukee County, (4) among former foster youth who were discharged from foster homes or group homes than among former foster youth discharged from child caring institutions, and (5) among former foster youth who had been reunified, placed with relatives, or adopted, or who had aged out or been discharged to independent living than among former foster youth who had run away from care or who had been transferred to a state institution. In addition, although the percentage employed in at least four quarters does not vary much by adjudication status, former foster youth who were adjudicated status offenders (JIPS) or placed voluntarily were more likely to have been employed in zero quarters than former foster youth who were adjudicated delinquents or children in need of protection (CHIPS).

**TABLE 3A**
**Employment during First Eight Postexit Quarters, 1995–1997 Exit Cohorts**

| Number of Quarters Employed | N | Percent |
|---|---|---|
| 0 | 380 | 20.9 |
| 1 | 131 | 7.2 |
| 2 | 152 | 8.4 |
| 3 | 163 | 9.0 |
| 4 | 162 | 8.9 |
| 5 | 159 | 8.7 |
| 6 | 188 | 10.3 |
| 7 | 217 | 11.9 |
| 8 | 267 | 14.7 |
| | 1819 | 100.0 |

**TABLE 3B**
**Employment during First Eight Postexit Quarters: 1995–1997 Exit Cohorts**

| | | Percent of Quarters Employed | | |
|---|---|---|---|---|
| | N | 0 | < 50% | 50% + |
| **Gender** | | | | |
| Female | 751 | 19.7 | 23.0 | 57.3 |
| Male | 1068 | 21.7 | 25.6 | 52.7 |
| **Race/ethnicity** | | | | |
| African American | 423 | 33.1 | 30.0 | 36.9 |
| White | 1246 | 16.5 | 21.9 | 61.6 |
| Native American | 56 | 21.4 | 46.4 | 32.1 |
| Asian | 27 | 20.5 | 23.1 | 56.4 |
| Hispanic | 55 | 27.3 | 20.0 | 52.7 |
| **County providing services** | | | | |
| Milwaukee | 488 | 28.5 | 27.3 | 44.3 |
| All other counties | 1331 | 18.0 | 23.5 | 58.4 |
| **Adjudicated status** | | | | |
| CHIPS–abuse/neglect | 374 | 22.2 | 25.1 | 52.7 |
| CHIPS–other | 428 | 21.3 | 22.0 | 56.8 |
| Delinquent | 893 | 19.0 | 26.5 | 54.4 |
| JIPS–status offender | 60 | 28.3 | 16.7 | 55.0 |
| Voluntary placement | 64 | 29.7 | 17.2 | 53.1 |
| **Placement type** | | | | |
| Foster home | 1041 | 18.2 | 23.7 | 58.1 |
| Group home | 413 | 20.8 | 25.2 | 54.0 |
| Child caring institution | 365 | 28.8 | 26.0 | 45.2 |
| **Discharge outcome** | | | | |
| Reunification, relative placement, or adoption | 948 | 19.2 | 23.8 | 57.0 |
| Aged out or discharged to independent living | 645 | 22.8 | 20.9 | 56.3 |
| Ran away | 108 | 22.2 | 37.0 | 40.7 |
| Transferred to other state institution | 118 | 22.9 | 38.1 | 39.0 |

Earnings: Descriptive Statistics

Table 4A shows the total earnings during the first eight quarters after discharge from care among those former foster youth who were employed in at least one quarter. On average, a former foster youth earned substantially less during his/her first eight quarters postdischarge than a full-time (i.e., 40 hours per week) minimum wage worker would have earned over the same period.[13]

Table 4B presents these same earnings data broken down by gender, race/ethnicity, county (i.e., Milwaukee versus non-Milwaukee), adjudicated status, placement type, and discharge outcome. Median total earnings were generally higher (1) among female former foster youth than among male former foster youth and (2) among non-Milwaukee former foster youth than among Milwaukee former foster youth. However, there was relatively little difference by either gender or county in terms of mean total earnings. Both median and mean total earnings were higher (1) among Asian and white former foster youth than among African American, Native American, or Hispanic former foster youth, (2) among former foster youth who had been placed as status offenders (JIPS) than among former foster youth placed for other reasons, (3) among former foster youth who had been discharged from foster homes than among former foster youth discharged from group homes or child caring institutions, and (4) among former foster youth who had aged out or been discharged to independent living or who had been reunified, placed with relatives, or adopted than among former foster youth who had run away from care or who had been transferred to a state institution.

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[13]Given the current minimum wage, a full-time minimum wage worker would have earned a total of $21,424 over a period of eight quarters—three times what the former foster youth earned on average. However, even at the lower minimum wage rate that was in effect prior to August 1996 (i.e., $4.25), the full-time minimum wage worker would have earned a total of $17,680—still more than twice the average earnings of the former foster youth.

**TABLE 4A**
**Total Earnings during First Eight Postexit Quarters, if Employed in at Least One Quarter**

| | |
|---|---|
| N | 1439 |
| Median | 4478 |
| Mean | 7094 |
| Standard deviation | 8138 |

**TABLE 4B**
**Total Earnings during First Eight Postexit Quarters, if Employed in at Least One Quarter**

| | N | Median | Mean | Standard Deviation |
|---|---|---|---|---|
| **Gender** | | | | |
| Female | 603 | 4750 | 7106 | 8032 |
| Male | 836 | 4185 | 7086 | 8218 |
| **Race/ethnicity** | | | | |
| African American | 283 | 2497 | 5631 | 8239 |
| White | 1041 | 5134 | 7562 | 8039 |
| Native American | 44 | 1890 | 5655 | 11059 |
| Asian | 31 | 7481 | 8146 | 6928 |
| Hispanic | 40 | 4185 | 6042 | 5507 |
| **County providing services** | | | | |
| Milwaukee | 349 | 3713 | 6814 | 8436 |
| All other counties | 1090 | 4734 | 7184 | 8042 |
| **Adjudicated status** | | | | |
| CHIPS–abuse/neglect | 291 | 4964 | 7227 | 7375 |
| CHIPS–other | 337 | 4585 | 7331 | 8663 |
| Delinquent | 723 | 3998 | 6805 | 8200 |
| JIPS–status offender | 43 | 7526 | 9600 | 9115 |
| Voluntary placement | 45 | 4393 | 6725 | 6476 |
| **Placement type** | | | | |
| Foster home | 852 | 5098 | 7573 | 8017 |
| Group home | 327 | 3876 | 6549 | 3213 |
| Child caring institution | 260 | 3203 | 6213 | 8498 |
| **Discharge outcome** | | | | |
| Reunification, relative placement, or adoption | 766 | 4493 | 6888 | 8095 |
| Aged out or discharged to independent living | 498 | 5544 | 8418 | 8591 |
| Ran away | 84 | 2031 | 3923 | 4109 |
| Transferred to other state institution | 91 | 2023 | 4520 | 7202 |

Employment and Earnings: Multivariate Analysis

Employment. We estimated a logistic regression model in which employment during the first eight quarters after discharge from out-of-home care was regressed on a set of covariates that included both demographic characteristics of the former foster youth (e.g., gender, race/ethnicity) and measures related to their experiences in out-of-home care (e.g., placement type, number of placements, length of stay in care).[14] Table 5 shows the parameter estimates and odds ratios for this model based on the 1995 through 1997 exit cohorts of former foster youth. An odds ratio greater than 1 means that, controlling for all other covariates in the model, the group with that characteristic is more likely to have been employed than the comparison group, whereas an odds ratio less than 1 means that the group with that characteristic is less likely to have been employed than the comparison group. Former foster youth who were African American or Hispanic were significantly less likely to have been employed than those who were white. Former foster youth who had been placed as either children or juveniles in need of protection were significantly more likely to have been employed than those who had been adjudicated delinquent. Former foster youth who had been discharged from foster homes were more likely to have been employed than those who had been discharged from child caring institutions. And finally, for every additional month former foster youth had been in care, their odds of having been employed decreased by slightly less than 1 percent.

Earnings. We estimated an OLS regression model in which total earnings during the first eight quarters after discharge from out-of-home care were regressed on the same set of covariates used in the employment model. Table 6 shows the parameter estimates for this model based on the 1995 through 1997 exit cohorts of former foster youth who had been employed in at least one of the first eight postexit quarters. Former foster youth who were African American had significantly lower average

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[14]The dependent variable is coded as 1 if former foster youth were employed in at least one of the first eight postexit quarters and 0 if they were not.

**TABLE 5**
**Logistic Model Estimating Likelihood of Employment during First Eight Postexit Quarters***

| Covariates | Beta | Odds Ratio |
|---|---|---|
| **Intercept** | 0.71 | |
| **Gender** | | |
| Male | -.05 | 0.950 |
| *Female* | | |
| **Race/ethnicity** | | |
| African American | -1.03*** | 0.358*** |
| Native American | -0.33 | 0.721 |
| Asian | -0.37 | 0.688 |
| Hispanic | -0.79* | 0.455* |
| *White* | | |
| **County providing services** | | |
| Milwaukee | 0.10 | 1.105 |
| *All other counties* | | |
| **Adjudicated status** | | |
| CHIPS–abuse/neglect | 0.82* | 2.266* |
| CHIPS–other | 0.70* | 2.013* |
| JIPS–status offender | 0.91** | 2.493** |
| Voluntary placement | -0.24 | 0.783 |
| *Delinquent* | | |
| **Placement type at exit** | | |
| Foster home | 0.87*** | 2.389*** |
| Group home | 0.31 | 1.362 |
| *Child caring institution* | | |
| **Discharge outcome** | | |
| Aged out/discharged to independent living | -0.09 | 0.911 |
| Runaway | -0.12 | 0.877 |
| Transfer to state institution | -0.21 | 0.809 |
| *Reunification, relative placement, or adoption* | | |
| **Total number of episodes** | -0.01 | 0.986 |
| **Total number of placements** | -0.01 | 0.995 |
| **Total number of months in care** | -0.01*** | 0.991*** |

* $p < .05$ ** $p < .01$ *** $p < .001$
*Excluded categories italicized.

**TABLE 6**
**OLS Model Estimating Total Earnings during First Eight Postexit Quarters, if Employed in at Least One Quarter***

| Covariates | Beta |
|---|---|
| **Intercept** | 8876.91 |
| **Gender** | |
| Male | 394.26 |
| *Female* | |
| **Race/ethnicity** | |
| African American | -2958.25*** |
| Native American | -1264.71 |
| Asian | 860.08 |
| Hispanic | -1595.23 |
| *White* | |
| **County providing services** | |
| Milwaukee | 431.17 |
| *All other counties* | |
| **Adjudicated status** | |
| CHIPS–abuse/neglect | -2306.11 |
| CHIPS–other | -2018.79 |
| JIPS–status offender | -1754.45 |
| Voluntary placement | -3463.71* |
| *Delinquent* | |
| **Placement type at exit** | |
| Foster home | 1448.92* |
| Group home | 524.45 |
| *Child caring institution* | |
| **Discharge outcome** | |
| Aged out or discharged to independent living | 1660.47*** |
| Ran away | -2501.32** |
| Transferred to other state institution | -2191.70* |
| *Reunification, relative placement, or adoption* | |
| **Total number of episodes** | -193.31 |
| **Total number of placements** | -301.63 |
| **Total number of months in care** | 12.83 |
| **Model adjusted $R^2$** | .0443 |

* $p < .05$ ** $p < .01$ *** $p < .001$
*Excluded categories italicized.

total earnings than those who were white. Former foster youth who had been placed voluntarily had significantly lower average total earnings than those who had been adjudicated delinquent. Former foster youth discharged from foster homes had significantly higher average total earnings than those discharged from child caring institutions. And finally, former foster youth who had aged out of care or been discharged to independent living had significantly higher average total earnings than those discharged to family, whereas former foster youth who either ran away or were transferred to another state institution had significantly lower average total earnings.

As noted above, this report is based on UI data for 1995 through 1999. Although our analysis thus far has focused on employment and earnings for the first eight quarters postexit, these data also allow us to examine whether earnings prior to discharge might account for a substantial proportion of the variance in postdischarge earnings, controlling for the demographic characteristics and out-of-home care experiences of former foster youth. We examined this possibility using data for the 1996 through 1998 exit cohorts. Table 7A shows pre- and postdischarge employment and Table 7B shows total earnings for these former foster youth.

We estimated two OLS models in which total earnings for the first four quarters postdischarge were regressed on the same set of covariates used in the previous models. However, the second model also included total earnings for the four quarters immediately prior to discharge from care. Table 8 shows the parameter estimates for these two models based on the 1996 through 1998 exit cohorts. The parameter estimates for model 1 indicate (1) that African American former foster youth had significantly lower total earnings than white former foster youth, (2) that former foster youth who had been reunified, placed with relatives, or adopted had significantly lower total earnings than former foster youth who had aged out of care or been discharged to independent living, but significantly higher total earnings than former foster youth who had run away from care, and (3) that for every additional placement former foster youth experienced, total earnings decreased by $175. Despite the statistical significance of these covariates, this model explained little of the variance in total earnings.

**TABLE 7A**
**Employment during Last Four Preexit and First Four Postexit Quarters**

| | Preexit | | Postexit | |
|---|---|---|---|---|
| Number of Quarters Employed | N | Percent | N | Percent |
| 0 | 726 | 39.4 | 555 | 30.1 |
| 1 | 292 | 15.9 | 264 | 14.3 |
| 2 | 271 | 14.7 | 262 | 14.2 |
| 3 | 227 | 12.3 | 290 | 15.7 |
| 4 | 326 | 17.7 | 471 | 25.6 |
| | 1842 | 100.0 | 1842 | 100.0 |

**TABLE 7B**
**Total Earnings during Last Four Preexit and First Four Postexit Quarters, if Employed in at Least One Quarter**

| | Preexit | Postexit |
|---|---|---|
| N | 1116 | 1287 |
| Median | 1215 | 2031 |
| Mean | 2070 | 3274 |
| Standard deviation | 2788 | 3724 |

**TABLE 8**
**Models Estimating Earnings during First Four Postexit Quarters***

| Covariates | Beta | |
|---|---|---|
| | Model 1 | Model 2 |
| **Intercept** | 2725.44 | 2320.49 |
| **Gender** | | |
| Male | -47.69 | 13.12 |
| *Female* | | |
| **Race/ethnicity** | | |
| African American | -1331.09*** | -712.73* |
| Native American | 35.85 | 568.71 |
| Asian | 591.96 | -168.98 |
| Hispanic | 102.09 | 134.14 |
| *White* | | |
| **County providing services** | | |
| Milwaukee | 359.59 | 148.87 |
| *All other counties* | | |
| **Adjudicated status** | | |
| CHIPS–abuse/neglect | 244.47 | 196.87 |
| CHIPS–other | -12.34 | -116.57 |
| JIPS–status offender | 52.02 | -171.10 |
| Voluntary placement | 454.27 | -18.29 |
| *Delinquent* | | |
| **Placement type at exit** | | |
| Foster home | 551.57 | -344.81 |
| Group home | 121.05 | -440.26 |
| *Child caring institution* | | |
| **Discharge outcome** | | |
| Aged out or discharged to independent living | 1393.62*** | 708.07** |
| Ran away | -895.96* | -598.60 |
| Transferred to other state institution | -64.02 | 97.62 |
| *Reunification, relative placement, or adoption* | | |
| **Total number of episodes** | 75.30 | -67.30 |
| **Total number of placements** | -175.33* | -32.36 |
| **Total number of months in care** | 5.51 | -0.93 |
| **Earnings during four quarters preexit** | | 0.84*** |
| **Model adjusted $R^2$** | .0580 | .3696 |

* $p < .05$ ** $p < .01$ *** $p < .001$
*Excluded categories italicized.

The parameter estimates for model 2 indicate (1) that every dollar in preexit earnings was associated with a statistically significant increase of 0.84 dollars in postexit earnings and (2) that even after controlling for preexit earnings, African American former foster youth had significantly lower total earnings than white former foster youth, and former foster youth who had been reunified, placed with relatives, or adopted had significantly lower total earnings than former foster youth who had aged out of care or been discharged to independent living. Moreover, addition of preexit earnings markedly improved the model's explanatory power.

## 3. PUBLIC ASSISTANCE UTILIZATION

Our analysis of public assistance utilization by former foster youth is based on state administrative data from the Client Assistance for Re-employment and Economic Support (CARES) data collection system for the period January 1995 through June 2000. CARES contains monthly, client-specific information about participation in public assistance programs, including AFDC/TANF and Food Stamps.[15] To be consistent with our analysis of the employment and earnings data, we focus on public assistance utilization during the first eight quarters postexit for the 1995 through 1997 exit cohorts of former foster youth.

We use two sets of outcome measures in our analysis of these CARES data. The first set contains three dichotomous variables indicating whether former foster youth received (1) AFDC/TANF cash assistance, (2) Food Stamps, and (3) AFDC/TANF cash assistance and/or Food Stamps during their first eight quarters after discharge from care.[16] Former foster youth were counted as public assistance recipients

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[15]Wisconsin's TANF program is Wisconsin Works, or W-2. It was first implemented in September 1997. AFDC was not completely phased out until March 1998.

[16]If former foster youth exited in the first half of the quarter (i.e., the 1st of month 1 through the 15th of month 2), that quarter is treated as the first postexit quarter. If former foster youth exited in the second half of the quarter (i.e., the 16th of month 2 through the 30th/31st of month 3), the following quarter is treated as the first postexit quarter.

if and only if two conditions were met. First, the former foster youth received a nonzero AFDC/TANF cash grant and/or Food Stamps in at least 1 month during the first eight postexit quarters.[17] Second, the former foster youth was coded as the "primary person" or case head. In other words, the former foster youth could not be a dependent on the AFDC/TANF or Food Stamp case of a parent or other individual.[18]

The second set of outcome measures also contains three variables: (1) the total amount of AFDC/TANF cash assistance former foster youth received during the first eight postexit quarters, (2) the total amount of Food Stamps former foster youth received during the first eight postexit quarters, and (3) the total amount of AFDC/TANF cash assistance and/or Food Stamps former foster youth received during the first eight postexit quarters. We computed the first two measures by summing monthly AFDC/TANF cash assistance and/or Food Stamp benefits, and the third measure by summing the first two.

An obvious limitation of this approach is that CARES does not include information about other means-tested government benefit programs which might be relevant to our sample of former foster youth, particularly Supplemental Security Income (SSI).[19] Another potential limitation is the absence of information about General Relief.[20] Individuals who are unemployable due to a temporary or permanent disability (including alcohol or other drug addictions) may be eligible for General Relief. However, only 31 of Wisconsin's 72 counties operate a General Relief program, and both eligibility criteria and benefit

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[17]Not all W-2 participants are eligible for cash assistance. Eligibility for cash assistance is limited to those assigned to the program's two lowest employment tiers (W-2 Transition and Community Service Job) and to those who have given birth to a child within the past 12 weeks. Other W-2 participants are eligible for services and noncash benefits such as child care subsidies. Therefore, not all former foster youth who participated in W-2 would be included in our measure of cash assistance receipt.

[18]Because CARES includes only Wisconsin data, this approach will underestimate public assistance utilization to the extent that former foster youth were living in and receiving benefits from another state.

[19]One of the authors of this paper will soon have access to SSI data for these former foster youth.

[20]In the past, all Wisconsin counties were legally required to provide both cash and medical assistance to eligible, very low income single adults through the state's mandatory General Relief program. In the 1995–1997 biennial budget, that program was replaced by the Relief Block Grant program, which gave counties the option to participate or not (Gallagher et al., 1999; Holcomb et al.,1998).

schedules vary across counties.[21] Finally, although CARES does include information about eligibility for Medical Assistance, the state's Medicaid program, information as to whether Medicaid payments were made for any services are recorded in another data system. Hence, one cannot determine from CARES whether an individual "received" Medicaid benefits.[22]

Receipt of Public Assistance: Descriptive Statistics

We begin with some descriptive statistics on the receipt of public assistance by the 1995 through 1997 exit cohorts of former foster youth. Table 9A shows the percentage of these former foster youth who received (1) AFDC/TANF cash assistance, (2) Food Stamps, and (3) AFDC/TANF cash assistance and/or Food Stamps in at least 1 month during the first eight quarters after they were discharged from care. These data suggest that only a small minority of former foster youth received public assistance within that 24-month period.

Table 9B presents these same data broken down by gender, race/ethnicity, county (i.e., Milwaukee versus non-Milwaukee), adjudicated status, placement type, and discharge outcome. Although relatively few former foster youth received public assistance, receipt of AFDC/TANF cash assistance and/or Food Stamps was more likely (1) among female former foster youth than among male former foster youth, (2) among African American former foster youth than among non-African American former foster youth, (3) among Milwaukee former foster youth than among non-Milwaukee former foster youth, (4) among former foster youth who had been placed in care as children in need of protection (CHIPS) than among former foster youth who had been placed for other reasons, (5) among former foster youth who were discharged from foster homes than among former foster youth discharged from group homes or child caring

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[21]For example, in Dane County (Madison), the most populous county with a nonmedical (i.e., cash) General Relief program, the maximum program benefit is $247 per month (Gallagher et al., 1999). The General Relief program in Milwaukee County is limited by state statute to medical assistance.

[22]Moreover, even if one did have data on Medicaid payments, it is not clear how this information would be incorporated into an income measure.

**TABLE 9A**
**Receipt of Public Assistance during First Eight Postexit Quarters**

| | Received AFDC/TANF Cash Assistance | | Received Food Stamps | | Received Cash Assistance and/or Food Stamps | |
|---|---|---|---|---|---|---|
| | N | Percent | N | Percent | N | Percent |
| NO | 1782 | 98.0 | 1720 | 94.6 | 1717 | 94.4 |
| YES | 37 | 2.0 | 99 | 5.4 | 102 | 5.6 |

**TABLE 9B**
**Receipt of Public Assistance during First Eight Postexit Quarters**

| | N | Percent Received AFDC/TANF Cash Assistance | Percent Received Food Stamps | Percent Received Cash Assistance and/or Food Stamps |
|---|---|---|---|---|
| **Gender** | | | | |
| Female | 751 | 4.9 | 11.6 | 12.0 |
| Male | 1068 | 0.0 | 1.1 | 1.1 |
| **Race/ethnicity** | | | | |
| African American | 423 | 7.3 | 12.1 | 12.5 |
| White | 1246 | 0.4 | 3.5 | 3.6 |
| Native American | 56 | 0.0 | 0.0 | 0.0 |
| Asian | 39 | 0.0 | 2.6 | 2.6 |
| Hispanic | 55 | 1.8 | 5.5 | 5.5 |
| **County providing services** | | | | |
| Milwaukee | 488 | 5.7 | 9.8 | 9.8 |
| All other counties | 1331 | 0.7 | 3.8 | 4.1 |
| **Adjudicated status** | | | | |
| CHIPS–abuse/neglect | 374 | 4.5 | 10.7 | 10.7 |
| CHIPS–other | 428 | 3.7 | 7.7 | 8.4 |
| Delinquent | 893 | 0.5 | 2.2 | 2.2 |
| JIPS–status offender | 60 | 0.0 | 5.0 | 5.0 |
| Voluntary placement | 64 | 0.0 | 4.7 | 4.7 |
| **Placement type** | | | | |
| Foster home | 1041 | 3.1 | 7.3 | 7.5 |
| Group home | 413 | 0.5 | 3.1 | 3.4 |
| Child caring institution | 365 | 0.8 | 2.7 | 2.7 |
| **Discharge outcome** | | | | |
| Reunification, relative placement, or adoption | 948 | 1.9 | 4.3 | 4.5 |
| Aged out or discharged to independent living | 645 | 2.6 | 7.1 | 7.3 |
| Ran away | 108 | 1.8 | 9.3 | 9.3 |
| Transferred to other state institution | 118 | 0.0 | 1.7 | 1.7 |

institutions, and (6) among former foster youth who ran away from care or who aged out or who were discharged to independent living than among former foster youth who were reunified, placed with relatives, or adopted, or who were transferred to a state institution.[23]

Table 10A shows the total amount of (1) AFDC/TANF cash assistance, (2) Food Stamps, and (3) AFDC/TANF cash assistance and/or Food Stamps that former foster youth received during the first eight quarters after they were discharged from care among those former foster youth who received AFDC/TANF cash assistance and/or Food Stamps in at least 1 month during those eight quarters.

Table 10B shows the total amount of AFDC/TANF cash assistance and/or Food Stamps former foster youth received during the first eight quarters after they were discharged from care broken down by gender, race/ethnicity, county (i.e., Milwaukee versus non-Milwaukee), adjudicated status, placement type, and discharge outcome. Conditional upon receiving AFDC/TANF cash assistance and/or Food Stamps, there was considerable variation across different groups of former foster youth in terms of the total amount of AFDC/TANF cash assistance and/or Food Stamps that they received.[24] AFDC/TANF cash assistance and/or Food Stamps totals tended to be higher among female former foster youth than among male former foster youth, among African-American former foster youth than among white former foster youth, among Milwaukee former foster youth than among non-Milwaukee former foster youth, among former foster youth placed as children in need of protection (CHIPS) than among former foster youth who had been adjudicated delinquent, and among former foster youth who had been discharged from foster homes than

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[23]The gender difference in AFDC/TANF receipt is not surprising given that only former foster youth who were caring for dependent children (or were pregnant, in the case of AFDC) would have been eligible for cash assistance. The gender difference in Food Stamp receipt is smaller, but still substantial. Although Food Stamp eligibility is not limited to families with dependent children, able-bodied adults without dependents are only eligible for 3 months of Food Stamp benefits in any 36-month period unless certain work requirements are met under the 1996 Personal Responsibility and Work Opportunity Reconcilation Act.

[24]It is possible that differences in the total amount of AFDC/TANF cash assistance and/or Food Stamps that former foster youth received are the result of differences in the number of quarters for which AFDC/TANF cash assistance and/or Food Stamps were nonzero. However, one finds similar differences when amount of AFDC/TANF cash assistance and/or Food Stamps per quarter is used.

**TABLE 10A**
**Total Public Assistance Benefits during First Eight Postexit Quarters, if Benefits Received in at Least One Quarter**

| | AFDC/TANF Cash Assistance | Food Stamps | Cash Assistance and/or Food Stamps |
|---|---|---|---|
| N | 37 | 99 | 102 |
| Median | 3873 | 668 | 797 |
| Mean | 4908 | 1256 | 3000 |
| Standard deviation | 3958 | 1411 | 4404 |

**TABLE 10B**
**Total Public Assistance Benefits during First Eight Postexit Quarters, if Benefits Received in at Least One Quarter**

| | N | Median | Mean | Standard Deviation |
|---|---|---|---|---|
| **Gender** | | | | |
| Female | 90 | 999 | 3345 | 4581 |
| Male | 12 | 345 | 407 | 197 |
| **Race/ethnicity** | | | | |
| African American | 53 | 1592 | 4861 | 5331 |
| White | 45 | 460 | 836 | 1093 |
| Native American | 0 | 0 | 0 | 0 |
| Asian | 1 | 51 | 51 | 0 |
| Hispanic | 3 | 1829 | 3557 | 3510 |
| **County providing services** | | | | |
| Milwaukee | 48 | 999 | 3345 | 4581 |
| All other counties | 54 | 534 | 1148 | 1763 |
| **Adjudicated status** | | | | |
| CHIPS–abuse/neglect | 40 | 956 | 3756 | 4999 |
| CHIPS–other | 36 | 1014 | 3212 | 4457 |
| Delinquent | 20 | 516 | 1735 | 3285 |
| JIPS–status offender | 3 | 875 | 884 | 627 |
| Voluntary placement | 3 | 767 | 915 | 556 |
| **Placement type** | | | | |
| Foster home | 78 | 1042 | 3557 | 4791 |
| Group home | 14 | 392 | 943 | 1918 |
| Child caring institution | 10 | 571 | 1537 | 2075 |
| **Discharge outcome** | | | | |
| Reunification, relative placement, or adoption | 43 | 876 | 2391 | 3465 |
| Aged out or discharged to independent living | 47 | 875 | 4045 | 5307 |
| Ran away | 10 | 599 | 1266 | 2256 |
| Transferred to other state institution | 2 | 182 | 182 | 185 |

among former foster youth discharged from either group homes or child caring institutions. Although there was little difference in median total AFDC/TANF cash assistance and/or Food Stamps between former foster youth who had been discharged to live with family and former foster youth who had aged out of care or been discharged to independent living, the mean total was substantially higher among the latter, and both groups tended to have received higher amounts of AFDC/TANF cash assistance and/or Food Stamps than former foster youth who exited care by running away.

Thus far, our analysis has been limited to public assistance utilization during the first eight quarters after former foster youth had been discharged from care. Table 11A shows what happens when the observation period for the 1995 to 1997 exit cohorts is extended beyond the first eight quarters through June 2000. Perhaps not surprisingly, extending the observation period increases the percentage of former foster youth who received AFDC/TANF cash assistance and/or Food Stamps after exiting out-of-home care.

Table 11B shows the same data broken down by gender, race/ethnicity, county (i.e., Milwaukee versus non-Milwaukee), adjudicated status, placement type, and discharge outcome. The between-group differences are similar to those found in Table 10B, suggesting that differences in the likelihood of using public assistance tend to be maintained over time.[25]

Finally, although we do not yet have UI data for the early exit cohorts in our larger sample (i.e., those former youth who exited care in 1992, 1993, and 1994), we do have CARES data for these early cohorts. Table 12 shows the percentage of former foster youth in each of those exit cohorts who received AFDC/TANF cash assistance and/or Food Stamps at any time through June 2000. In general, as years since discharge increases, so too does the likelihood of ever having received AFDC/TANF cash assistance and/or Food Stamps. Although this relationship between years since discharge and the likelihood of public

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[25]The one dissimilarity between Table 11B and Table 10B is that former foster youth who had aged out or been discharged to independent living were no longer the *most* likely to have received AFDC/TANF cash assistance once the observation period was extended.

**TABLE 11A**
**Receipt of Public Assistance through June 2000**

| | Received AFDC/TANF Cash Assistance | | Received Food Stamps | | Received Cash Assistance and/or Food Stamps | |
|---|---|---|---|---|---|---|
| | Percent | N | Percent | N | Percent | N |
| NO | 88.3 | 1607 | 74.5 | 1355 | 74.0 | 1346 |
| YES | 11.7 | 212 | 25.5 | 464 | 26.0 | 473 |

**TABLE 11B**
**Receipt of Public Assistance through June 2000**

| | N | Percent Received AFDC/TANF Cash Assistance | Percent Received Food Stamps | Percent Received Cash Assistance and/or Food Stamps |
|---|---|---|---|---|
| **Gender** | | | | |
| Female | 751 | 27.2 | 48.3 | 49.3 |
| Male | 1068 | 0.4 | 9.5 | 9.6 |
| **Race/ethnicity** | | | | |
| African American | 433 | 23.4 | 39.2 | 40.2 |
| White | 1246 | 7.5 | 21.4 | 21.8 |
| Native American | 56 | 8.9 | 19.6 | 21.4 |
| Asian | 39 | 5.1 | 15.4 | 15.4 |
| Hispanic | 55 | 15.5 | 25.5 | 25.5 |
| **County providing services** | | | | |
| Milwaukee | 488 | 20.7 | 35.7 | 36.0 |
| All other counties | 1331 | 8.0 | 21.8 | 22.3 |
| **Adjudicated status** | | | | |
| CHIPS–abuse/neglect | 374 | 19.3 | 37.2 | 37.7 |
| CHIPS–other | 428 | 15.9 | 32.2 | 33.2 |
| Delinquent | 893 | 6.6 | 18.4 | 18.7 |
| JIPS–status offender | 60 | 8.3 | 18.3 | 18.3 |
| Voluntary placement | 64 | 6.3 | 18.8 | 18.8 |
| **Placement type** | | | | |
| Foster home | 1041 | 15.6 | 30.5 | 31.2 |
| Group home | 413 | 6.1 | 18.6 | 18.6 |
| Child caring institution | 365 | 5.8 | 19.2 | 19.5 |
| **Discharge outcome** | | | | |
| Reunified, placed with relatives, or adopted | 948 | 10.0 | 24.4 | 25.0 |
| Aged out or discharged to independent living | 645 | 14.4 | 29.3 | 29.6 |
| Ran away | 108 | 14.8 | 29.6 | 30.6 |
| Transferred to other state institution | 118 | 3.4 | 10.2 | 10.2 |

**TABLE 12**
**Receipt of Public Assistance from January 1992 through June 2000 by Exit Cohort**

| Exit Cohort | N | Percent Received AFDC/TANF Cash Assistance | Percent Received Food Stamps | Percent Received Cash Assistance and/or Food Stamps |
|---|---|---|---|---|
| 1992 | 644 | 16.0 | 36.0 | 36.7 |
| 1993 | 639 | 18.8 | 39.3 | 39.4 |
| 1994 | 595 | 17.8 | 33.1 | 33.3 |
| 1995 | 596 | 13.3 | 28.7 | 28.7 |
| 1996 | 604 | 12.4 | 25.8 | 26.8 |
| 1997 | 619 | 8.7 | 22.1 | 22.6 |
| 1998 | 619 | 7.6 | 19.9 | 20.5 |

assistance utilization might have been expected, the implications of these data are disconcerting. In particular, they suggest that 6 to 8 years after being discharged from care, a third or more of former foster youth will have received AFDC/TANF cash assistance and/or Food Stamps.

Receipt of Public Assistance: Multivariate Analysis

We estimated a logistic regression model in which receipt of AFDC/TANF cash assistance and/or Food Stamps during the first eight quarters after discharge from out-of-home care was regressed on a set of covariates representing the demographic characteristics (e.g., gender, race/ethnicity) and out-of-home care experiences (e.g., placement type, number of placements, length of stay in care) of the former foster youth.[26] We limited the analysis to female former foster youth because so few male former foster youth were AFDC/TANF cash assistance and/or Food Stamp recipients. We also excluded the relatively small number of former foster youth who had been placed voluntarily. Table 13 shows the parameter estimates and odds ratios for this model. An odds ratio greater than 1 means that, controlling for all other covariates in the model, the group with that characteristic is more likely to have received AFDC/TANF cash assistance and/or Food Stamps than the comparison group, whereas an odds ratio less than 1 means that the group with that characteristic is less likely to have received AFDC/TANF cash assistance and/or Food Stamps than the comparison group. Former foster youth who were African American were significantly more likely to have received AFDC/TANF cash assistance and/or Food Stamps than former foster youth who were white, and former foster youth who were placed in care as children in need of protection (CHIPS) for reasons other than abuse or neglect were significantly more likely to have received AFDC/TANF cash assistance and/or Food Stamps than former foster youth who were adjudicated delinquents or status offenders.

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[26]The dependent variable is coded as 1 if the youth received AFDC/TANF cash assistance and/or Food Stamps in at least one of the first eight postexit quarters and 0 if the youth did not.

**TABLE 13**
**Logit Model Predicting Receipt of Public Assistance by Female Former Foster Youth during the First Eight Postexit Quarters**

| Covariates | Beta | Odds Ratio |
|---|---|---|
| **Intercept** | -3.714 | |
| **Race/ethnicity** | | |
| African American | 1.416*** | 4.122*** |
| Other | -0.003 | 0.977 |
| *White* | | |
| **County providing services** | | |
| Milwaukee | 0.117 | 1.125 |
| *All other counties* | | |
| **Adjudicated status** | | |
| CHIPS–abuse/neglect | 0.547 | 1.728 |
| CHIPS–other | 0.683* | 1.979* |
| *Delinquent or JIPS* | | |
| **Placement type at exit** | | |
| Foster home | 0.420 | 1.521 |
| Group home | 0.343 | 1.409 |
| *Child caring institution* | | |
| **Discharge outcome** | | |
| Reunification, relative placement, or adoption | -0.220 | 0.802 |
| Aged out/discharged to independent living | 0.126 | 1.134 |
| *Runaway or transfer to state institution* | | |
| **Total number of episodes** | 0.271 | 1.312 |
| **Total number of placements** | -0.037 | 0.964 |
| **Total number of months in care** | -0.000 | 1.000 |

* $p < .05$ ** $p < .01$ *** $p < .001$
*Excluded categories italicized.
**Note**: N = 719.

We also estimated an OLS regression model in which the total amount of AFDC/TANF cash assistance and/or Food Stamps received during the first eight quarters after discharge from out-of-home care was regressed on the same set of covariates used in the preceding model. This analysis is limited to the 87 female former foster youth who had been AFDC/TANF cash assistance and/or Food Stamp recipients (and had not been placed in care voluntarily). Table 14 shows the parameter estimates for this model. The total amount of AFDC/TANF cash assistance and/or Food Stamps received by Milwaukee former foster youth was significantly higher than the total amount received by non-Milwaukee former foster youth. And while the total amount of AFDC/TANF cash assistance and/or Food Stamps received by African American former foster youth was higher than the total amount received by white former foster youth, the coefficient was only marginally significant, perhaps because of the small sample size.

## 4. TOTAL INCOME FROM EARNINGS AND PUBLIC ASSISTANCE

Thus far, we have examined both total earnings from "covered" employment and total AFDC/TANF cash assistance and/or Food Stamps during the first eight quarters after former foster youth were discharged from care. In this section, we include both of these sources of income in our analysis.

We use three outcome measures in our analysis of these data. The first measure is total income from earnings and public assistance during the first eight postexit quarters. We compute this measure by summing the total earnings and total AFDC/TANF cash assistance and/or Food Stamps from the earlier analyses. Although we refer to this measure below as "total income," it actually should be thought of as a lower bound because there are several potential sources of income that it does not take into account, including benefits from other government programs (e.g., SSI), earnings from employment that is not "covered," or money from family and friends. The second measure is the percentage of total income from earnings and the third is the percentage of total income from AFDC/TANF cash assistance and/or Food

**TABLE 14**
**OLS Model Estimating Total Public Assistance Benefits Received by Female Former Foster Youth during the First Eight Postexit Quarters, if Benefits Received in at Least One Quarter**

| Covariates | Beta |
|---|---|
| Intercept | -2771 |
| **Race/ethnicity** | |
| African American | 2057 |
| Other | 2552 |
| *White* | |
| **County providing services** | |
| Milwaukee | 3852** |
| *All other counties* | |
| **Adjudicated status** | |
| CHIPS–abuse/neglect | -761 |
| CHIPS–other | -625 |
| *Delinquent or JIPS* | |
| **Placement type at exit** | |
| Foster home | 3326 |
| Group home | 2800 |
| *Child caring institution* | |
| **Discharge outcome** | |
| Reunification, relative placement, or adoption | 874 |
| Aged out/discharged to independent living | -1055 |
| *Runaway or transfer to state institution* | |
| **Total number of episodes** | -918 |
| **Total number of placements** | 722 |
| **Total number of months in care** | 4.49 |
| **Model adjusted $R^2$** | .2782 |

* $p < .05$ ** $p < .01$ *** $p < .001$
'Excluded categories italicized.
**Note**: N = 87

Stamps. We compute the second measure by dividing earnings by total income and the third measure by dividing AFDC/TANF cash assistance and/or Food Stamps by total income.

Total Income: Descriptive Statistics

Table 15A shows the total income from earnings and AFDC/TANF cash assistance and/or Food Stamps during the first eight quarters after discharge among the 1995 through 1997 exit cohorts of former foster youth for (1) only those former foster youth whose total income was nonzero and (2) all former foster youth, including those whose total income was zero. Not surprisingly, both median and mean total income are considerably higher when the analysis is limited to those with nonzero income.

Table 15B shows the same data broken down by gender, race/ethnicity, county (i.e., Milwaukee versus non-Milwaukee), adjudicated status, placement type, and discharge outcome. When the analysis is limited to former foster youth with nonzero total income, total income tends to be higher (1) among female than among male former foster youth, (2) among white or Asian than among African American, Native American, or Hispanic former foster youth, (3) among non-Milwaukee than among Milwaukee former foster youth, (4) among former foster youth who had been adjudicated status offenders (JIPS) or children in need of protection (CHIPS) than among former foster youth who had been adjudicated delinquent or placed voluntarily, (5) among former foster youth who had been discharged from foster homes than among former foster youth discharged from group homes or institutions, and (6) among former foster youth who aged out or were discharged to independent living or former foster youth who were reunified, placed with relatives, or adopted than among former foster youth who ran away from care or who were transferred to a state institution. When the analysis is extended to include former foster youth with zero total income, the relative differences in total income are essentially the same.[27]

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[27]The one exception is that median total income among former foster youth who had been placed voluntarily is no longer lower than median total income among former foster youth who had been adjudicated children in need of protection (CHIPS).

**TABLE 15A**
**Total Income from Earnings and AFDC/TANF Cash Assistance and/or Food Stamps during First Eight Postexit Quarters**

| Former Foster Youth with Nonzero Income | | | | All Former Foster Youth | | | |
|---|---|---|---|---|---|---|---|
| N | Median | Mean | Standard Deviation | N | Median | Mean | Standard Deviation |
| 1462 | 4602 | 7192 | 8148 | 1819 | 2848 | 5781 | 7843 |

**Total 15B**
**Total Income from Earnings and AFDC/TANF Cash Assistance and/or Food Stamps during First Eight Postexit Quarters**

| | Former Foster Youth with Nonzero Total Income | | | | All Former Foster Youth | | | |
|---|---|---|---|---|---|---|---|---|
| | N | Median | Mean | Standard Deviation | N | Median | Mean | Standard Deviation |
| **Gender** | | | | | | | | |
| Female | 621 | 5006 | 7384 | 8066 | 751 | 3269 | 6106 | 7849 |
| Male | 841 | 4141 | 7050 | 8210 | 1068 | 2565 | 5552 | 7835 |
| **Race/ethnicity** | | | | | | | | |
| African American | 297 | 2791 | 6233 | 8435 | 423 | 1073 | 4376 | 7619 |
| White | 1050 | 5108 | 7533 | 8020 | 1246 | 3786 | 6348 | 7856 |
| Native American | 44 | 1890 | 5655 | 11059 | 56 | 1402 | 4443 | 10054 |
| Asian | 31 | 7532 | 8148 | 6928 | 39 | 3689 | 6476 | 7000 |
| Hispanic | 40 | 4611 | 6309 | 5564 | 55 | 2373 | 4589 | 5514 |
| **County providing services** | | | | | | | | |
| Milwaukee | 365 | 3982 | 7183 | 8490 | 488 | 1580 | 5373 | 7977 |
| All other counties | 1097 | 4745 | 7195 | 8035 | 1331 | 3191 | 5930 | 7791 |
| **Adjudicated status** | | | | | | | | |
| CHIPS–abuse/neglect | 301 | 5103 | 7487 | 7452 | 374 | 3213 | 6025 | 7314 |
| CHIPS–other | 343 | 4903 | 7540 | 8687 | 428 | 3014 | 6042 | 8337 |
| Delinquent | 727 | 4002 | 6815 | 8186 | 893 | 2670 | 5548 | 7847 |
| JIPS–status offender | 45 | 6805 | 9233 | 9074 | 60 | 3473 | 6924 | 8812 |
| **Placement type** | | | | | | | | |
| Foster home | 868 | 5309 | 7753 | 8049 | 1041 | 3786 | 6464 | 7896 |
| Group home | 330 | 3829 | 6530 | 8064 | 413 | 2348 | 5217 | 7668 |
| Child caring institution | 264 | 3203 | 6177 | 8441 | 365 | 1478 | 4468 | 7690 |

(table continues)

**Total 15B, continued**

| | Former Foster Youth with Nonzero Total Income | | | | All Former Foster Youth | | | |
|---|---|---|---|---|---|---|---|---|
| | N | Median | Mean | Standard Deviation | N | Median | Mean | Standard Deviation |
| **Discharge outcome** | | | | | | | | |
| Reunification, relative placement, or adoption | 776 | 4619 | 6931 | 8056 | 948 | 3011 | 5674 | 7762 |
| Aged out or discharged to independent living | 509 | 5833 | 8609 | 8647 | 645 | 3664 | 6794 | 8446 |
| Ran away | 86 | 2139 | 3979 | 4109 | 108 | 1484 | 3169 | 4001 |
| Transferred to other state institution | 91 | 2023 | 4524 | 7206 | 118 | 1159 | 3489 | 6602 |

Total Income: Multivariate Analysis

We estimated two OLS regression models in which total income from earnings and AFDC/TANF cash assistance and/or Food Stamps during the first eight quarters after discharge from care was regressed on the same set of covariates used in the earnings regression models. The only difference between the two models is that the first is estimated for the 1,462 former foster youth whose total income was nonzero while the second is estimated for all 1,819 former foster youth, including those whose total income was zero. Table 16 shows the parameter estimates for these models. Looking first at the model estimated for the 1,462 former foster youth with nonzero total income, total income was significantly lower among former foster youth who (1) were African American than those who were white, (2) had been placed voluntarily than those who had been adjudicated delinquent, and (3) had run away from care or been transferred to a state institution than those who had been reunified, placed with relatives, or adopted. Conversely, total income was significantly higher among former foster youth who (1) were discharged from foster homes than those who had been discharged from child caring institutions and (2) had aged out of care or been discharged to independent living than those who had been reunified, placed with relatives, or adopted. The results are similar when the model is estimated for all 1,819 former foster youth, with the exception that the coefficient for voluntary placement is only marginally significant.

Table 17A shows the percentage of total income from earnings and the percentage of total income from AFDC/TANF cash assistance and/or Food Stamps during the first eight quarters after discharge among those former foster youth whose total income was nonzero. The most notable finding is that the median percentage of total income from earnings is 100 percent and the median percentage of total income from AFDC/TANF cash assistance and/or Food Stamps is 0 percent. This reflects the fact that while 79.1 percent of the former foster had at least some earnings from employment, only 5.6 percent received AFDC/TANF cash assistance and/or Food Stamps.

**TABLE 16**
**OLS Model Estimating Total Income from Earnings and AFDC/TANF Cash Assistance and/or Food Stamps during First Eight Postexit Quarters**

| | Model 1 N = 1461 | Model 2 N = 1819 |
|---|---|---|
| Covariates | Beta | |
| **Intercept** | 8522 | 6366 |
| **Gender** | 111 | -129 |
| Male | | |
| *Female* | | |
| **Race/ethnicity** | | |
| African American | -2379*** | -2878*** |
| Native American | -1255 | -1273 |
| Asian | 928 | 187 |
| Hispanic | -1310 | -2006 |
| *White* | | |
| **County providing services** | | |
| Milwaukee | 547 | 754 |
| *All other counties* | | |
| **Adjudicated status** | | |
| CHIPS–abuse/neglect | -2095 | -893 |
| CHIPS–other | -1665 | -843 |
| JIPS–status offender | -1422 | -344 |
| Voluntary placement | -3243 | -2804* |
| *Delinquent* | | |
| **Placement type at exit** | | |
| Foster home | 1607* | 2191*** |
| Group home | 620 | 887 |
| *Child caring institution* | | |
| **Discharge outcome** | | |
| Aged out or discharged to independent living | 1626** | 1144** |
| Ran away | -2575** | -2154** |
| Transferred to other state institution | -2210* | -2015** |
| *Reunification, relative placement, or adoption* | | |
| **Total number of episodes** | -228 | -180 |
| **Total number of placements** | -259 | -211 |
| **Total number of months in care** | 13.8 | -0.726 |
| **Model adjusted $R^2$** | .0400 | .0433 |

* $p < .05$ ** $p < .01$ *** $p < .001$
†Excluded categories italicized.

**TABLE 17A**
**Percentage of Total Income from Earnings and AFDC/TANF Cash Assistance and/or Food Stamps during First Eight Postexit Quarters, if Total Income > 0**

| Percent of Income from Earnings | | Percent of Income from Cash Assistance and/or Food Stamps | |
|---|---|---|---|
| Median | Mean | Median | Mean |
| 100.0 | 96.6 | 0.0 | 3.4 |

**Note**: N = 1462.

**TABLE 17B**
**Percentage of Total Income from Earnings and AFDC/TANF Cash Assistance and/or Food Stamps during First Eight Postexit Quarters, if Total Income > 0**

| | N | Percent of Total Income from Earnings | | Percent of Total Income from Cash Assistance and/or Food Stamps | |
|---|---|---|---|---|---|
| | | Median | Mean | Median | Mean |
| **Gender** | | | | | |
| Female | 621 | 100.0 | 93.0 | 0.0 | 7.0 |
| Male | 841 | 100.0 | 99.3 | 0.0 | 0.7 |
| **Race/ethnicity** | | | | | |
| African American | 297 | 100.0 | 89.1 | 0.0 | 10.9 |
| White | 1050 | 100.0 | 98.5 | 0.0 | 1.5 |
| Native American | 44 | 100.0 | 100.0 | 0.0 | 0.0 |
| Asian | 31 | 100.0 | 99.9 | 0.0 | 0.02 |
| Hispanic | 40 | 100.0 | 97.3 | 0.0 | 2.8 |
| **County providing services** | | | | | |
| Milwaukee | 365 | 100.0 | 91.4 | 0.0 | 8.6 |
| All other counties | 1050 | 100.0 | 98.3 | 0.0 | 1.7 |
| **Adjudicated status** | | | | | |
| CHIPS–abuse/neglect | 301 | 100.0 | 93.2 | 0.0 | 6.8 |
| CHIPS–other | 343 | 100.0 | 95.3 | 0.0 | 4.7 |
| Delinquent | 727 | 100.0 | 98.7 | 0.0 | 1.3 |
| JIPS–status offender | 45 | 100.0 | 97.1 | 0.0 | 4.6 |
| Voluntary placement | 46 | 100.0 | 95.4 | 0.0 | 2.9 |
| **Placement type** | | | | | |
| Foster home | 868 | 100.0 | 95.7 | 0.0 | 4.3 |
| Group home | 330 | 100.0 | 98.4 | 0.0 | 1.6 |
| Child caring institution | 264 | 100.0 | 92.3 | 0.0 | 0.8 |
| **Discharge outcome** | | | | | |
| Reunification, relative placement, or adoption | 776 | 100.0 | 97.1 | 0.0 | 3.0 |
| Aged out or discharged to independent living | 509 | 100.0 | 95.6 | 0.0 | 4.4 |
| Ran away | 86 | 100.0 | 95.0 | 0.0 | 2.0 |
| Transferred to other state institution | 91 | 100.0 | 99.9 | 0.0 | 0.04 |

Table 17B shows the same data broken down by gender, race/ethnicity, county (i.e., Milwaukee versus non-Milwaukee), adjudicated status, placement type, and discharge outcome. For all groups, the median percentage of total income from earnings is 100 percent and the median percentage of total income from AFDC/TANF cash assistance and/or Food Stamps is 0 percent. The mean percentage of total income from cash assistance and/or Food Stamps tends to be higher (1) among female than among male former foster youth, (2) among African American than among white, Asian, Native American, or Hispanic former foster youth, (3) among Milwaukee than among non-Milwaukee former foster youth, (4) among former foster youth who had been adjudicated children in need of protection (CHIPS) or status offenders (JIPS) than among former foster youth who had been adjudicated delinquent or placed voluntarily, (5) among former foster youth who had been discharged from foster homes than among former foster youth discharged from group homes or institutions, and (6) among former foster youth who aged out or were discharged to independent living or former foster youth who were reunified, placed with relatives, or adopted than among former foster youth who ran away from care or who were transferred to a state institution.

## 5. DISCUSSION AND IMPLICATIONS

The results presented above are based on an analysis of employment, earnings, and public assistance data from state administrative records for a sample of former foster youth who were at least 17 years old when they were discharged from care. Consistent with earlier studies, our findings indicate that a significant percentage of the 1995 through 1997 exit cohorts of former foster youth were either not employed at all (21 percent) or only sporadically employed (24 percent) during the first 2 years (eight quarters) after they were discharged from Wisconsin's out-of-home care system. Finding and/or maintaining stable employment may not be as much of a problem for former foster youth as these results suggest. In particular, former foster youth are counted as not employed if they were employed in jobs that

are not "covered" or if they were employed but living in another state. However, finding and/or maintaining stable employment may also be more difficult for former foster youth than these results seem to imply because former foster youth were counted as employed in any quarter for which earnings were reported, regardless of the number of hours that they worked.

We found a number of factors that seem to be related to employment among our sample of former foster youth. Both our univariate and multivariate analyses suggest that nonwhite former foster youth were significantly less likely to have been employed than those who were white, and that former foster youth who had been discharged from foster homes were more likely to have been employed than those who had been discharged from child caring institutions. Although our univariate analysis seems to indicate that former foster youth who were adjudicated status offenders (JIPS) were less likely to have been employed than former foster youth who were adjudicated delinquents or children in need of protection (CHIPS), our multivariate analysis shows that, controlling for other factors, former foster youth who had been adjudicated status offenders (or children in need of protection) were more likely to have been employed than those who had been adjudicated delinquent.

Again, consistent with what previous research has found, the earnings of former foster youth were low. In particular, during the first eight quarters after they were discharged from care, total earnings among the former foster youth in our sample were, on average, substantially lower than what a full-time minimum wage worker would have earned over the same period.

Total earnings were related to several factors. Both our univariate and multivariate analyses indicate that African American former foster youth earned significantly less than white former foster youth, that former foster youth who had been discharged from foster homes earned significantly more than those discharged from child caring institutions, and that former foster youth who had run away or been transferred to a state institution earned significantly less than those who had been reunified, placed with relatives, or adopted. Although our univariate analysis showed little differences between the total earnings of former foster youth who had aged out or been discharged to independent living and those who had been

reunified, placed with relatives, or adopted, the results of our multivariate analysis suggest that former foster youth who had aged out of care or been discharged to independent living earned significantly more than those had been reunified, placed with relatives, or adopted. Finally, although our univariate analysis indicates that former foster youth who had been placed as status offenders tended to earn more than those who had been placed for other reasons, there was no significant difference between the total earnings of former foster youth who had been adjudicated status offenders and those who had been adjudicated delinquent, once other factors were controlled for.

Although we identified several factors related to postdischarge earnings, very little of the variance in total earnings was explained by the model that we estimated. However, the results of our analysis of total earnings among the 1996 through 1998 exit cohorts of former foster youth suggests that adding predischarge earnings to the model improves the model's explanatory power substantially. In other words, employment while in foster care appears to be by far the best predictor of postdischarge employment.

Our initial analysis of the public assistance data seemed to indicate that only a small minority of former foster youth had received AFDC/TANF cash assistance and/or Food Stamps at any time during the first eight quarters after they were discharged from care. Nevertheless, both our univariate and multivariate analyses suggest that African American former foster youth were more likely to have been AFDC/TANF cash assistance and/or Food Stamp recipients than white former foster youth, and that former foster youth who were placed in care as children in need of protection (CHIPS) for reasons other than abuse or neglect were more likely to have been AFDC/TANF cash assistance and/or Food Stamp recipients than former foster youth who were adjudicated delinquents or status offenders.

Both our univariate and multivariate analyses suggest that among the relatively small percentage of former foster youth who had been recipients of AFDC/TANF cash assistance and/or Food Stamps, Milwaukee former foster youth received larger amounts of AFDC/TANF cash assistance and/or Food Stamps during the first eight quarters after they were discharged from care than did non-Milwaukee former foster youth. Although our univariate analysis suggests that AFDC/TANF cash assistance and/or Food

Stamp totals tended to be higher among African American former foster youth than among white former foster youth, the difference was not statistically significant in the multivariate analysis.

Although less than 6 percent of the 1995 through 1997 exit cohorts of former foster youth had received AFDC/TANF cash assistance and/or Food Stamps at some point during the first eight quarters after they were discharged from care, 26 percent had received AFDC/TANF cash assistance and/or Food Stamps as of June 2000. However, despite this increase in the percentage of former foster youth who had received AFDC/TANF cash assistance and/or Food Stamps, differences in the likelihood of having been a recipient tend to be maintained over time. That is, the former foster youth who were most likely to have received AFDC/TANF cash assistance and/or Food Stamps at some point during the first eight quarters after they were discharged from care were also the most likely to have received AFDC/TANF cash assistance and/or Food Stamps at some point between the time they were discharged from care and June 2000.

This increase in the likelihood of having received AFDC/TANF cash assistance and/or Food Stamps is further illustrated by the percentage of former foster youth in each exit cohort from 1992 through 1998 who had received AFDC/TANF cash assistance and/or Food Stamps at some point between the time they exited care and June 2000. With the exception of former foster youth in the 1992 exit cohort—who were less likely to have been AFDC/TANF cash assistance and/or Food Stamp recipients than former foster youth in the 1993 exit cohort (but more likely to have been AFDC/TANF cash assistance and/or Food Stamp recipients than former foster youth in the 1994 exit cohort)—the percentage of former foster youth who had received AFDC/TANF cash assistance and/or Food Stamps by June 2000 increased with each additional postdischarge year.

Should this trend continue, at least one-third of all the former foster youth in the 1995 through 1997 exit cohorts will have received AFDC/TANF cash assistance and/or Food Stamps within 6 to 8 years after being discharged from care. Clearly, the data necessary to evaluate this possibility are not yet

available. Nonetheless, it will be interesting to see whether the percentage of the former foster youth in these exit cohorts continues to increase as time since discharge increases. This question is especially intriguing given the dramatic reduction in both cash assistance and Food Stamp caseloads that Wisconsin has experienced in recent years.

By almost any standard, total income from earnings, AFDC/TANF cash assistance, and Food Stamps for the first eight quarters after discharge from care was very low among our sample of 1,819 former foster youth. Median total income and mean total income for this 2-year period were $2,848 and $5,781, respectively—well below the poverty line for a one-person family in 1995, which is the earliest year in which the former foster youth were discharged from care.[28] Even when the analysis is limited to the 1,416 former foster youth who were employed and/or recipients of public assistance at some point during their first eight postdischarge quarters, both median total income ($4,602) and mean total income ($7,192) for this 2-year period were still below the 1995 federal poverty line for a one-person family.[29]

Both our univariate and multivariate analyses seem to indicate that total income was lower (1) among African American former foster youth than among white former foster youth and (2) among former foster youth who had run away from care or who had been transferred to a state institution than among those who had been reunified, placed with relatives, or adopted. Conversely, total income was higher (1) among former foster youth who had been discharged from foster homes than among those who had been discharged from child caring institutions and (2) among former foster youth who had aged out of care or had been discharged to independent living than among those who had been reunified, placed with relatives, or adopted. These differences exist regardless of whether or not former foster youth who were never

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[28]The federal poverty line for a single individual was $7,470 in 1995, $7,740 in 1996, $7,890 in 1997, $8,050 in 1998, $8,240 in 1999, and $8,350 in 2000.

[29]As noted above, our measure of total income for the first eight postexit quarters, which includes only earnings and AFDC/TANF cash assistance, is incomplete in that it does not take several potentially important sources of income into account. Nevertheless, it is the best indicator of self-sufficiency that our data allow us to compute.

employed and who were never recipients of public assistance during their first eight quarters after they were discharged from care are included in the analysis.

Earnings from employment were the primary source of income among the 1,462 former foster youth in our sample for whom our measure of total income was greater than zero; on average, earnings from employment constituted 96.6 percent of total income whereas public assistance constituted only 3.4 percent. This reflects the fact that 1,439 of these former foster youth had a least some earnings from employment while only 102 had received AFDC/TANF cash assistance and/or Food Stamps. These two groups were not mutually exclusive, but only a small minority (N = 79) of the former foster youth in our sample had income from both earnings and public assistance during the first eight quarters after they were discharged from care.

As alluded to above, our measure of total income suffers from at least two important limitations. First, it only includes earnings from "covered" employment, AFDC/TANF cash assistance, and Food Stamps. The former foster youth in our sample may have had other sources of income during the first eight quarters after they were discharged from care, such as earnings from "uncovered" employment, other government programs such as SSI, or family and friends. Second, it is based on state administrative data. The former foster youth in our sample may have moved outside of Wisconsin during the first eight quarters after they were discharged from care. This might explain why our measure of total income was zero for nearly 20 percent (N = 357) of the former foster youth in our sample. It is also possible that some of these former foster youth were being supported by a parent, other relative, spouse, or partner with whom they were living.

Perhaps the most serious limitation of our analysis is the fact that we restricted our sample to former foster youth for whom HSRS provided a valid Social Security number. As a result of this restriction, 31.2 percent of the 1992 through 1998 exit cohorts of former foster youth who were at least 17 years old when they were discharged from care were excluded from our sample. The exclusion of these former foster youth would not be a problem if it could be ascertained that there were no systematic

differences between those former foster youth whose SSN was present and those whose SSN was missing. However, as our comparison made evident, the two groups were different in a number of respects; SSNs were more likely to be missing among former foster youth who were white, who were receiving services from non-Milwaukee counties, who were in care for a total of less than 12 months, and who were reunified than among former foster youth who were African American, who were receiving services from Milwaukee County, who were in care for 12 months or longer, and who aged out or were discharged to independent living.

The implications of these differences for the results of our analysis are difficult to discern, but there is some indication that the former foster youth with missing SSNs were a somewhat more "advantaged" group. For example, white former foster youth were more likely to be have been employed and, if employed, to have had significantly higher earnings than African American former foster youth. They were also less likely to have received AFDC/TANF cash assistance and/or Food Stamps and, if they were recipients, to have received a significantly smaller amount of public assistance than African American former foster youth. A similar pattern of differences exists between former foster youth receiving services from non-Milwaukee counties and those receiving services from Milwaukee County, although only the earnings coefficient was statistically significant. However, the implications associated with differences in discharge outcome and length of stay in care are less clear.[30]

Much of our analysis has focused on the variation in employment, earnings, and public assistance receipt among former foster youth with different demographic characteristics and/or foster care experiences. The result of this analysis suggests that some of these demographic characteristics and/or foster care experiences are related to subsequent outcomes. Although we had initially planned to examine

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[30]There are statistical techniques for dealing with this problem of sample selection bias. One of the authors will be using these techniques in future analyses of these data.

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the outcomes of former foster youth during the pre- and post-TANF periods, it was not possible to do this given the limited number of pre-TANF years for which we had UI data.[31]

Rather than limiting our analysis to former foster youth who aged out of care or who were discharged to independent living, we broadened our sample to include all former foster youth who exited care between 1992 and 1998 and were at least 17 years old at the time they exited. We then compared the employment, earnings, and public assistance receipt among former foster youth with different discharge outcomes.[32]

Our results suggest that former foster youth who had aged out of care or had been discharged to independent living earned significantly more during the first eight quarters after they were discharged from care than those who had been reunified, placed with relatives, or adopted; as a result, their total income was also significantly higher. These findings are consistent with what one would expect if former foster youth who had aged out of care or had been discharged to independent living were, in fact, living on their own and having to support themselves, while those who had been reunified, placed with relatives, or adopted were being supported by the families with whom they were living. We also found that former foster youth who had run away or been transferred to an institution were employed in significantly fewer quarters and earned significantly less during the first eight quarters after they were discharged from care than those who had been reunified, placed with relatives, or adopted; again, their lower earnings were reflected in significantly lower total income as well.

Because the discharge outcomes of these former foster youth were not randomly assigned, our findings cannot be interpreted as evidence that the differences in employment, earnings, and public

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[31]We expect to have UI data for the years 1992 through 1994 in the near future.

[32]This is somewhat different than the analysis we had initially proposed, which was to compare the outcomes of former foster youth who would have aged out between 1992 and 1998 had they not been returned home to those of former foster youth who did age out of care during this same period. However, because we included former foster youth who had been reunified, placed with relatives or adopted in our sample, we were able to make a very similar comparison.

assistance receipt that we observed were caused by the different discharge outcomes they experienced. Rather, a more likely explanation is that the discharge outcomes experienced by former foster youth were endogenous to a combination of observable and unobservable individual, family, worker, and agency characteristics.

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